

## Message Text

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60

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 L-02 H-01 AID-05 CIAE-00 COME-00

FRB-01 INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-01 CEA-01 PA-01 PRS-01 USIA-06 /073 W

----- 128893

R 202045Z DEC 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 6958

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 9506

E. O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: CRUZEIRO DEVALUATION

1. THE CENTRAL BANK OF BRAZIL ANNOUNCED EFFECTIVE DECEMBER 20, THE ELEVENTH, AND PROBABLY FINAL, DEVALUATION OF THE CRUZEIRO IN 1974. THE LATEST DEPRECIATION OF 1.51 PERCENT COMES 31 DAYS AFTER THE LAST ONE, AND BRINGS THE CUMULATIVE DEVALUATION FOR THE YEAR TO 19.66 PERCENT. NEW CRUZEIRO/DOLLAR RATES ARE 7.395 FOR BUY AND 7.435 FOR SELL.

2. COMMENT: THE TOTAL DEVALUATION OF THE CRUZEIRO FOR THE YEAR IS PRETTY MUCH IN LINE WITH EMBASSY'S EXPECTATIONS (SEE BRASILIA 6187). IN ADDITION, MONETARY AUTHORITIES ARE CLOSING OUT THE YEAR LEAVING NO DOUBT THAT THEY PLAN TO MAINTAIN THEIR POLICY OF MINI-DEVALUATIONS. IF THEY WERE GOING TO MAKE A ONE-TIME BIG DEVALUATION, AS SOME HAVE ADVOCATED, THE MOST APPROPRIATE TIME WOULD SEEM TO HAVE BEEN NOW -- WITH THE CLOSING OF THE BOOKS FOR 1974.

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JOHNSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEVALUATIONS, CRUZEIRO, DEPRECIATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D740371-0676  
**From:** BRASILIA  
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**Image Path:**  
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**Legacy Key:** link1974/newtext/t19741220/aaaaaqvb.tel  
**Line Count:** 61  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 SEP 2002  
**Review Event:**  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CRUZEIRO DEVALUATION  
**TAGS:** EFIN, BR  
**To:** STATE  
**Type:** TE  
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